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09/898,497	07/05/2001	Hirohisa A. Tanaka	20662-07121	8442
758 7590 06/12/2009 FENWICK & WEST LLP SILICON VALLEY CENTER 801 CALIFORNIA STREET MOUNTAIN VIEW, CA 94041				
EXAMINER				
THEIN, MARIA TERESA T				
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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* HIROHISA A. TANAKA,
9 GEOFFREY R. HENDREY,
10 and
11 PHILIP J. KOOPMAN, JR.
12

13 Appeal 2009-000705
14 Application 09/898,497
15 Technology Center 3600
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19 Decided:¹ June 12, 2009
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22 *Before* MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH
23 A. FISCHETTI, *Administrative Patent Judges*.

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25 CRAWFORD, *Administrative Patent Judge*.
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28 DECISION ON APPEAL

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30 STATEMENT OF THE CASE

¹ The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

Appellants appeals under 35 U.S.C. § 134 (2002) from a non-final rejection of claims 1 to 33. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellants invented a method and apparatus for location-sensitive subsidized cell phone billing (Specification 1).

Claim 1 under appeal reads as follows:

1. A method for determining a billing rate of a mobile telecommunications connection associated with a mobile telecommunications unit (MU), comprising the steps of:
determining whether a location of the MU is inside or outside a predetermined subsidized zone; responsive solely to a determination that the location of the MU is inside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a first predetermined billing rate; and responsive solely to a determination that the MU is outside the predetermined subsidized zone, adjusting the billing rate for the telecommunications connection to a second predetermined billing rate.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Owensby	US 2002/0077130 A1	Jun. 20, 2002
Jones	US 6,411,891 B1	Jun. 25, 2002

The Examiner rejected claims 1, 2, 4, 6 to 13, 15, 17 to 24, 26, and 28 to 33 under 35 U.S.C. § 103(a) as being unpatentable over Owensby.

The Examiner rejected claims 3, 5, 14, 16, 25, and 27 under 35 U.S.C. § 103(a) as being unpatentable over Owensby in view of Jones.

ISSUE

Have Appellants shown that the Examiner erred in holding that it would have been obvious to one of ordinary skill in the art at the time the invention was made to utilize the method of Owensby so that the determination of a predetermined billing rate is made solely by the determination of whether a mobile unit is within or without a subsidized zone?

FINDINGS OF FACT

Owensby discloses a method for inserting messages such as advertisements into a wireless mobile communication that are targeted to a subscriber (Abstract). The billing rate is reduced by a subsidy that is provided to the user who agrees to receive advertisements on their MU (paragraph [0060]). In the Owensby system if the user agrees to receive advertisements, the subsidy would be applied if (1) the location of the MU is in a subsidized zone, (2) the date/time of day of the call meets certain criteria (3) the attributes of the subscriber meet certain conditions and (4) certain advertisement criteria are met (paragraphs [0064] to [0068]).

As such, the billing rate is adjusted based on the willingness of the user to receive an advertisement and several other factors including the location of the MU.

The Examiner found that Owensby discloses adjusting the billing rate for the telecommunications connection to a second predetermined billing rate and then added:

Owensby does not explicitly disclose that it is responsive solely to a determination that the MU is inside or outside the predetermined subsidized

zone but it would have been obvious to one of ordinary skill in the art at the time the invention was made to utilize the method of Owensby as claimed since dealing with a mobile unit and it would be appropriate to determine the billing rate based solely to a determination of the MU on the inside or outside of the subsidized zone. That would allow the system to target their ads based on the location of the subscriber's cell phone.

(Answer 4).

PRINCIPLES OF LAW

The facts underlying an obviousness inquiry include: Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). In addressing the findings of fact, “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR Int’l v. Teleflex, Inc.*, 550 U.S. 398, 416 (2007). As explained in *KSR*:

If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way,

using the technique is obvious unless its actual application is beyond his or her skill. *Sakraida* and *Anderson's-Black Rock* are illustrative—a court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.

KSR at 417.

On appeal, Applicants bear the burden of showing that the Examiner has not established a legally sufficient basis for combining the teachings of the prior art. Applicants may sustain its burden by showing that where the Examiner relies on a combination of disclosures, the Examiner failed to provide sufficient evidence to show that one having ordinary skill in the art would have done what Applicants did. *United States v. Adams*, 383 U.S. 39, 52 (1966).

ANALYSIS

We will not sustain the rejections of the Examiner. Each of the claims require that a second predetermined rate be used based solely on the location of the MU. In each of the rejections, the Examiner relies on the teachings and suggestions of Owensby for this requirement. We do not agree with the Examiner that it would have been obvious to modify Owensby so that the subsidy is provided solely based on the location of the MU. Owensby discloses that a user receives a subsidy if the MU is in a location that receives advertisements *and* (1) the user agrees to accept the advertisement, (2) the date/time of day of the call meets certain criteria, (3) the attributes of the subscriber meets certain conditions, and (4) certain advertisement criteria are met. As such, a user is billed at a first predetermined rate if the user is not in an area where advertisements are available. However, if the user is in

1 an area where advertisements are available but the user has not agreed to
2 accept advertisements, the user will also be billed at a first predetermined
3 rate. In addition, even if the user is in a subsidized area and has agreed to
4 receive advertisements, the subsidy is only given if the other factors related
5 to the date and time of day, the attributes of the user, and the advertisement
6 criteria are met. We do not agree with the Examiner that a person of
7 ordinary skill in the art would be motivated to provide a subsidy if the user is
8 within an area where advertisements are available but the user does not
9 accept advertisements and the other conditions are not met. The Owensby
10 reference is directed to a system that provides advertisements to MU users
11 and such a person of ordinary skill in the art would not be motivated to
12 provide the subsidy without the tie to the advertisement and other
13 conditions.

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15 **CONCLUSION OF LAW**

16 On the record before us, Appellants have shown that the Examiner
17 erred in rejecting the appealed claims.

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19 **DECISION**

20 The decision of the Examiner is reversed.

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22 **REVERSED**

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